

MEMORANDUM

NATIONAL SECURITY COUNCIL

ACTION

954-X

CONFIDENTIAL (XGDS)

May 11, 1973

MEMORANDUM FOR:

DR. KISSINGER

FROM:

HAROLD H. SAUNDERS

SUBJECT:

Economic Aid for Jordan

The Department of State has responded to your memorandum of March 3 directing that "an effort be made. . . to help the Government of Jordan meet its shortage of funds before July 1, 1973." In talks with the King, you mentioned that we would try to advance between \$10-15 million from FY 1974 funds. On April 18, you sent King Hussein a backchannel message saying that "we are making our best efforts to advance some funds from our FY 1974 program to meet your current budget needs." You promised him an answer within the next month.

The problem we now face is that because of commitments to South Vietnam, we have no more Supporting Assistance funds for Jordan before July 1. In order to help Jordan as much as possible, however, State has proposed that we provide \$25 million for Jordan in July, immediately after the beginning of the new fiscal year. [See Tab C for State's memorandum.] Subsequent payments of \$10 million each would be made in September and November. The possibility of another \$10 million payment in December remains open if other donors' responses are inadequate.

Jordan has sufficient reserves to get through the next few months without great difficulty, provided that a large payment is received in July. In a recent conversation with Ambassador Brown, Zaid Rifai indicated that the June problem is less acute and concentrated on the overall total of future US aid. The only problem arises from whatever commitment you feel you have made to King Hussein to advance some funds before July 1. If you feel it necessary to give him \$10-15 million in June, this amount would have to come out of funds promised to South Vietnam.

MORI/CDF  
C05139892

NSS, DOS, review completed.

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DECLAS - Date Impossible to Determine.

BYAUTH - Dr. Henry A. Kissinger

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Your choices are essentially to go along with State's recommendation, in which case you will want to send the King the message at Tab A, or to direct that \$10-15 million be diverted from aid committed to South Vietnam.

While it would be technically feasible to divert some funds from Vietnam for Jordan, this would be undesirable for the following reasons:

--After the assurances given the GVN at San Clemente, a further cut in Supporting Assistance would be a sharp disappointment.

--If funds were to be diverted from South Vietnam, Cambodia might be in greater immediate need than Jordan.

--While reduced Supporting Assistance for the GVN might be made up by added Development Loan money, it is not certain that Congress would allow FY 1973 DL money to be used in this way.

On balance, then, the case against diverting funds from South Vietnam to Jordan seems to be strong, especially since the Jordanians at the moment seem relaxed on the timing of the aid as long as they would be assured of a substantial payment in July.

RECOMMENDATION: That you send the message at Tab A to the King notifying him that we cannot provide economic help before July 1, but will be as forthcoming as possible early in the new fiscal year. If you approve, General Scowcroft would sign the memo at Tab B and would independently notify the Jordanian government.

Approve JK

Prefer to divert funds from Vietnam \_\_\_\_\_

Concurrence: Richard T. Kennedy *RS*  
(draft)

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June 2, 1973

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TO: Amman

FROM: WHITE HOUSE  
HENRY A. KISSINGER *AK*

Please deliver the following message to King Hussein from Dr. Kissinger:

"As I noted in my message of April 18, we have been trying to meet your request for additional funds before July 1. Unfortunately, developments in Southeast Asia have placed great pressures on the limited funds now available, and it appears to be impossible to advance funds for Jordan as we had hoped. We will, however, plan to provide Jordan with \$25 million in July immediately after the beginning of our new fiscal year, with subsequent payments of \$10 million in September and November. We continue to be hopeful that some of your neighbors will also be able to help you in the months ahead. Please be assured that we have Jordan's interests very much in mind and that we are doing the most we can. With best wishes, Henry A. Kissinger."

CONFIDENTIAL (XGDS)

THE WHITE HOUSE

WASHINGTON

CONFIDENTIAL (GDS)

June 2, 1973

MEMORANDUM FOR:

The Executive Secretary  
Department of State

SUBJECT: Additional FY 1973 Budget Support for Jordan

In response to your memorandum on the above subject (S/S-7307339), the proposal for providing \$25 million in Supporting Assistance to Jordan in July with subsequent tranches in September and November is approved.



Brent Scowcroft  
Brigadier General, USAF  
Deputy Assistant to the President  
for National Security Affairs

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DEPARTMENT OF STATE

Washington, D.C. 20520

JH 954

April 25, 1973

CONFIDENTIAL

MEMORANDUM FOR MR. HENRY A. KISSINGER  
THE WHITE HOUSE

SUBJECT: Additional FY 1973 Budget Support for Jordan

Pursuant to your memorandum of March 3, 1973, we have carefully reviewed the possibility of providing additional Supporting Assistance (SA) to Jordan before July 1, 1973.

The only source for such funds would be further diversion of SA from the South Vietnam program which has already been cut back drastically. In recent meetings in San Clemente, Vietnamese officials were advised of the current level of SA allocated to South Vietnam and were assured that the USG would make every effort to increase that level. A further diversion of SA funds to Jordan would not only make it impossible to maintain the current level of allocations, but would, of course, be inconsistent with our undertaking to try to increase that level.

We believe we can work out an alternative, however, which will alleviate much of Jordan's problem without an adverse effect on Vietnam. We propose that we provide \$25 million of the remaining \$45 million of CY 1973 budget

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support in July immediately after the beginning of the new fiscal year. The GOJ may have to incur short-term obligations to the Central Bank to get-through May and June, but this should not be a serious problem if they can anticipate a \$25 million payment in July. Subsequent tranches of \$10 million each would then follow in September and November. We are also keeping in mind the possibility of an additional \$10 million in December should other donor response be inadequate.

*Theodore L. Eliot, Jr.*

Theodore L. Eliot, Jr.  
Executive Secretary

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